

PENTHOUSE INTERVIEW

• The United States is not immune from Palestinian terrorism. There are a great many Palestinians in New York, Miami, and California who consider themselves warriors. And there could be occurrences . . . such as at the Olympics next year. •

FRANK TERPIL

Frank Terpil, a fugitive ex-CIA operative and one of the world's most dangerous and wanted men, is alive and well and living . . . from day to day . . . in luxurious hiding. A former intelligence adviser to deposed Iranian dictator Idi Amin and to Libyan strongman Muammar el-Qaddafi, Terpil moves incognito through a world that can only be compared to Robert Ludlum's fiction. He has played host to Carlos ("The Jackal") Ramires, he is a consultant to the PLO, he has contacts in more than a dozen foreign intelligence services on both sides of the ideological curtain, and he was the longtime business partner of renegade CIA agent Edwin P. Wilson.

Terpil became a fugitive in September 1980. He fled to Syria to avoid trial on charges stemming from a scheme to sell 10,000 British Sten guns to undercover detectives posing as revolutionaries. Terpil and an associate, Gary Korkala, were both tried in absentia, in New York, and sentenced to fifty-three years in prison with the recommendation that neither man receive parole. That, however, was only one of the charges against Terpil. Other counts against him still outstanding involve the alleged training of terrorists in Libya, the illicit transfer of explosives aboard a commercial airliner, violations of passport laws and the Foreign Agents Registration Act, and solicitation to murder.

Before the indictments came raining down upon him, Terpil was a respected, if somewhat mysterious, man of affairs. Brooklyn-born and bred, he retired from the CIA in 1971, having spent several years as a communications technician in the inner sanctum of the U.S. intelligence community. Streetwise and ambitious, he was a natural entrepreneur, with a penchant for big houses, big cars, petite mistresses, and enough servants to keep it all running smoothly. Well-liked, amoral, and superbly well connected, he became a middleman in the international arms bazaar, supplying weapons with stunning devices, binary explosives, poison kits, helicopters, electronic eavesdropping equipment, mili-

tary uniforms, mercenaries, and coups d'état to the highest bidders. It was literally a cutthroat business, and it proved to be a profitable one as well. Within a few years of leaving the CIA, Terpil was a multimillionaire, concealing his wealth through the anonymity of Swiss bank accounts and Liberian fronts while acquiring a Rolls-Royce, a small British hotel, objets d'art, and town houses in Washington, London, and Paris.

In the constellation of conspiracies known collectively as "the Wilson-Terpil case," Terpil remains the only indicted conspirator still at large. Edwin Wilson, lured back to the United States in 1982 by a canny federal prosecutor, proceeds from trial to trial, keeping his mouth shut while accumulating sentences of millenarian proportions. Gary Korkala, arrested in Spain earlier this year, was returned to the United States with the proviso that he would receive a new trial. Others implicated in the case have pleaded guilty to a variety of charges, and some have entered the government's Federal Witness Protection Program, and not a few have died—violently or unexpectedly. Among the last-named: Kevin Mulcahy, the ex-CIA officer whose ad hoc investigation of the case led to Wilson's exposure, was found dead at a motel in West Virginia; Waldo Dubberstein, a top analyst with the Defense Intelligence Agency from whom Wilson allegedly purchased classified information for transmission to Libya, was found dead of a shotgun wound, apparently self-inflicted; and Rafael Villaverde, an anti-Castro Cuban hit man, is presumed dead after an explosion at sea, off the coast of Bermuda.

The importance of the Wilson-Terpil case goes far beyond the particular indictments brought to date. What is at issue is not only the question of who shot whom, and why, but also the pattern of violent criminal activity involving the corruption of public officials in Congress, the military, and the CIA; the sale of secrets and high-technology hardware to avowed enemies of the United States; and the extent to

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which these commercial intelligence operations have compromised national security and the workings of the U.S. government. As our interview with Frank Terpil makes clear, there is a panoply of questions that remain to be answered. These questions concern the CIA's alleged involvement in opium trade; the relationship between the CIA and the mysterious Nugan Hand Bank; the use of CIA personnel to train Mehmet Ali Agca, the would-be assassin of the pope; Ed Wilson's relationship to South Korean intelligence agent Tong Sun Park; the CIA's apparent access to a stable of hired assassins; and the acquisition of assassination weapons by an elite American military unit stationed at Fort Bragg, N.C.

Because, of course, Frank Terpil did not sell his wares to terrorists alone: U.S. government agencies were also among his customers. Which raises the question: are the CIA and the American military still in the assassination business? If not, then why would the latter commission Terpil to acquire handguns that were not merely silent but "sterile"—i.e., manufactured in Switzerland and impossible to trace? So, too, when it came time for Terpil to hire a team of assassins to hit Libyan dissident Umar Abdulah Muhayshi, it was from a pool of CIA contract agents that the intended hit men were selected. If the CIA is not in the assassination business, then why does it employ agents known precisely for that expertise?

Penthouse: What was your life like before you fled the States?

Terpil: I was an up-and-coming Washington millionaire, with all the assets: big house, the right cars, the right address, office building, all the respectable amenities that go with success in Washington.

Penthouse: And your business?

Terpil: Import-export. I also owned a manufacturing business which aided law-enforcement agencies. I manufactured the Denver boot [a tire-locking device], for scofflaw parking violators.

Penthouse: Do you feel strongly about scofflaws?

Terpil: I probably . . . (Laughs) Do I feel strongly about scofflaws?

Penthouse: Should someone who gets a ticket pay his debt to society?

Terpil: Well, short of capital punishment.

Penthouse: And yet, you're avoiding a sentence of fifty-three years.

Terpil: I wasn't there to receive it, unfortunately. I was planning to submit a blow-up doll with a little mustache on it; they could put the doll in for fifty-three years, but I don't know who would keep it inflated.

Penthouse: Well, in prison you never know. Was this your first offense?

Terpil: Yes. With the exception of normal juvenile delinquency.

Penthouse: What did you do as a juvenile?

Terpil: I sold a machine gun to an undercover policeman in New York.

Penthouse: And twenty-five years later?

Reporter Jim Hougan's interview with Terpil took place in two stages, and on two continents. The first meeting occurred in the old-world atmosphere of a central-European country on the wrong side of the iron curtain. The second meeting took place on a small Caribbean island, at a lavish resort hotel frequented by rock stars and the very rich—including at least one other fugitive sought by Interpol.

Hougan reports: "In many ways Terpil remains the same person that he was before fleeing the United States. In 1980. A gifted raconteur with a million 'war stories,' each darker and funnier than its predecessor, he is also a candid critic of his own character. Unlike so many others who have been implicated in the legion of conspiracies that make up the Wilson-Terpil case, he does not claim to have been duped into criminality, nor does he suggest for a second (as others have) that he was operating secretly on behalf of the CIA. He says he did what he did for the money and for the excitement, which is to say that, however amoral Terpil may be, hypocrisy is not one of his sins."

"Terpil's life, however, has changed. As a fugitive who is never far from a war zone, he is accustomed to traveling light. Accordingly, he has little interest in the bulky status symbols of days gone by; indeed, it is fair to say that Terpil is at this point one of the least materialistic men on the planet. If it will not fit in his suitcase, he doesn't want it, because he knows that at

any moment he might have to leave it behind. A second consequence of his fugitivity has been to make him an inveterate museumgoer and an omnivorous reader. He exhausts the sights wherever he goes—planning 'escape routes' on the way to, say, viewing a cathedral—and he devours a book a day. Terpil seems to have come to terms, indeed to be at ease, with the dangers and uncertainties that define his existence. Sought by Interpol, the Mossad, and the CIA, he has been kidnapped and released by Syrian intelligence agents, shelled by the Israelis, and sniped at by the Christian Phalangists, and he figures prominently on the hit lists of former associates who fear what he knows.

"Sitting in a beach chair with a gin and tonic in one hand and *A Confederacy of Dunces* in his lap, Terpil looked during the interview like any other tourist with money to spend. The Rolex glistening on his wrist suggested a certain solvency. Months in the tropical sun had bleached his hair and tanned his body. The only thing that seemed to bother him was his ever present need of a gun. He carried it at the small of his back, wedged between his blue jeans and his tan, discreetly out of view under the flap of his sportshirt. Shifting his weight in the chair, he dug one of his feet into the white sand, sipped his drink, and nodded toward the yachts bobbing at anchor in the harbor. 'Bread alone,' he said, and grinned."

Penthouse: One of the federal charges against you was conspiring to assassinate Umar Muhayshi, a Libyan dissident.

Terpil: I supposedly utilized three Cubans who work for the agency. Their job was assassination, but on behalf of the United States government.

Penthouse: Are you saying these Cubans performed assassinations for the CIA?

Terpil: Yes. I asked—that's how we got them. They were well known to the agency.

Penthouse: Now, one of these Cubans, Rafael "Chi-Chi" Quintero, claimed he was a party at a meeting in Rosslyn, Virginia, and at that meeting a former CIA agent was present. Who was that CIA agent?

Terpil: Tom Clines. He had been director of training for the CIA's clandestine services.

Penthouse: Did that meeting have anything to do with Muhayshi?

Terpil: Yeah.

Penthouse: Rafael "Chi-Chi" Quintero has since testified that he and one of the other two Cubans, Rafael Villaverde, were led to believe they were to kill Carlos, the terrorist.

Terpil: That's ridiculous. Carlos was never mentioned. The Cubans backed out in Geneva, and the backout was for one reason: they wanted to know if there were Cubans in Libya. At that time Qaddafi did have some Cubans there, who were acting as his bodyguards. Rafael Villaverde jumped

up and said, "I'm not going to work those guys. Those are fucking Castro agents." And he left. Quintero said, "Don't worry, we'll take care of him, we'll calm him down."

Penthouse: When you fled the States to avoid trial, what was on your mind?

Terpil: I was elated to avoid what I assumed would be a farce.

Penthouse: Why do you say that?

Terpil: The trial's outcome was predetermined. A judge was brought out of retirement, Judge Gallagher, known to be a personal friend of Morgenthau's. Why would they bring a judge out of retirement for one case? My lawyers told me, "Now, we've got a problem. When you show up Monday, you are not going to be released on further bail." So it seemed to me it was a one-act play from that point.

Penthouse: So it was a last-minute decision to flee?

Terpil: Definitely. Because if there were any possibility that I could have received a fair trial, I would have stayed. If I were going to run, I would have run when I knew of the indictment coming down from the federal authorities. Why pay another \$75,000 bail when I could have taken that \$75,000 and used it for my travels?

Penthouse: Having worked for the CIA in the past, were you worried that you'd get knocked off in prison?

Terpil: Not only worried about it. This was told to an attorney. He met with an FBI agent from Jersey City, who told him, "They [Terpil and Korkala] won't last eight months. They'll be dead in eight months."

Penthouse: So you left. Did you leave in disguise?

Terpil: Yeah. I was under surveillance. There was a truck parked in front of my house, a moving van that supposedly had broken down and had been there for four days. I left as if I were going to the store, no baggage, no luggage. I made an alteration to my appearance, which took about twenty minutes.

Penthouse: Can you tell us what kind of alteration?

Terpil: No.

Penthouse: Okay. So where did you go?

Terpil: I left through Washington National, went to Mexico City, then to Houston.

Penthouse: Why?

Terpil: I had some very important business that I had overlooked.

Penthouse: And then where did you go?

Terpil: To Damascus, then to Beirut. Until some Syrian visitors came to my door. I was kidnapped from the restaurant that my partner, Gary Korkala, and I had bought.

Penthouse: You were going to become a restaurateur?

Terpil: Yes. As a matter of fact, it was the restaurant closest to the U.S. Embassy.

Penthouse: And what happened from the moment you were kidnapped?

Terpil: I was blindfolded, handcuffed, stuffed in a Mercedes. A second person was stuffed in the Mercedes with me. It turned out to be Gary. We were driven to

the intelligence prison in Damascus.

Penthouse: What did you think was going to happen to you?

Terpil: I had no idea. The initial accusation was that I was a spy for the CIA. Then they thought I was a spy for the Mossad (Israeli intelligence). Then they went back and questioned me about my travels in the Middle East. What they tried to do was fabricate a case that I was [still] a CIA agent.

Penthouse: Which is not true?

Terpil: Which is not true, but the more I denied it the more they were convinced that I was.

Penthouse: What was prison like?

Terpil: Prison conditions were absolutely horrible. It was similar to the comic strip "The Wizard of Id." The dungeon was exactly two meters long by one meter wide. Nothing in the room. No bed. Nothing. You sleep on the floor. It's underground. No windows. No lights. There's a steel door. You're in solitary.

Penthouse: Were you beaten?

Terpil: Yes, but that's normal. All prisoners are beaten. I didn't know what time it was, what day it was. I attempted to keep track of time by counting the meals.

Penthouse: Gourmet meals?

Terpil: The meals could be termed "early survival." In the morning, you got halvah and a bowl of water. Then lunch, rice with some bugs. At supper ... well, they claimed it was a soup. There was no exercise at all. You come out of the room for

interrogation, and that's it. And the interrogating cells were approximately fifteen meters away. So you couldn't sleep, because the people would scream all night.

Penthouse: Did you have second thoughts about leaving the States?

Terpil: No. A prison is a prison. I just made up my mind: make the best of it.

Penthouse: Your partner, Gary Korkala, was also imprisoned and interrogated.

Terpil: Yeah, but he was released because he agreed to cooperate.

Penthouse: Did he make statements about you?

Terpil: He made statements that I was a CIA agent.

Penthouse: How were you released?

Terpil: It was Arafat got me out. Arafat said, "We know he's in jail there. I want him out, here in Beirut." No questions. And I was out. No explanation, nothing.

Penthouse: What was your condition?

Terpil: (Laughs) I probably looked like a thinner version of Howard Hughes, but a filthier version at that point. I was released in April '82, after six months, and at that time I had not had a shower since late December. Washing was prohibited. Also, I didn't cut my hair and my beard was down to about chest length. I was down to 135 pounds.

Penthouse: From what?

Terpil: About 270. I went from a size 44 waist to a 32. They came one morning and said, "Get ready, you're leaving."

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thought I was getting ready to go to another prison. They took me blindfolded. When I got outside, they stuffed me inside a Peugeot, took my blindfold off, took my handcuffs off, and drove me on the road to Lebanon. I had my own clothes, which I had to hold up by a string they gave me. And I must have been really reeking. My hair was matted like dreadlocks. And the food was all encrusted in my beard. I felt squeamish about being myself. They took me across the Syrian-Lebanese border and stopped the car in the middle of nowhere. I figured, "This is it. They're going to knock me off right here. This is the traditional dumping ground." But they said, "Get out. That way is Ohtaura, this way is Baalbek. Good-bye."

They gave me my watch back and 200 Lebanese pounds. I got into Ohtaura with no documentation at all. I asked for a cab to get into Beirut. The taxi driver said, "Let me see the money first." I said, "I can't pass any checkpoints, because I don't have identification," meaning I couldn't pass any Christian checkpoints, because obviously I would have been bagged for sure. And he said, "No, no, we're going around by the airport."

I got into Beirut. I went to Gary's flat and the concierge told me Gary was not there. I said, "Where is he?" He said something about Spain. I thought he said Gary had opened up a Spanish restaurant. So I went over to the girlfriend's house. I said,

"Where is Gary?" and she said, "Gary is in jail." I said, "What? Where?" I thought he'd been put back by the Syrians. She said, "He's in Spain." I said, "In jail? In Spain?" I couldn't even comprehend how the hell he got to Spain.

Penthouse: Then what happened?

Terpil: Then the ballistics crew who sought to destroy world tranquility/broke my bubble in Beirut with their artillery.

Penthouse: The Israelis invaded. They shot your bubble away.

Terpil: They shot my bubble away.

Penthouse: What was it like being in Beirut, a recently released fugitive who couldn't go back to the States? And with the Israelis moving toward your apartment?

Terpil: The initial reaction, believe it or not, was one of relief, of elation. I had anticipated it would be only a matter of time before the Syrians came with one of their assassination squads and attempted to get me again. Very few people leave Syrian prisons alive. And those who do have a high mortality rate on the street.

I did not anticipate the Israelis would cross the Litani River. I didn't think they'd come as far as the airport. Normally they would come, cause some problems, bomb for one or two days, and then go home again. Then they crossed the Litani River. Now I realized they weren't going to go back home. So we mustered the courageous Palestine Liberation Army,

weapons were freely distributed on the street to any and all who thought they could use them, and we just settled down for the invasion of West Beirut, anticipating house-to-house fighting.

There were notices on the radio for Americans to evacuate. American ships were being brought in. Naturally, I didn't care what they brought in. I couldn't go to the Americans and say, "Hey, here I am. I'm a citizen. I plan on leaving." And there was a big problem getting over to East Beirut, because the Phalangists weren't stupid. They knew I worked with the PLO.

I was, for all intents and purposes, PLO, not American. I couldn't leave. Ships going to Cyprus were being intercepted by Israeli patrol boats; I had no choice but to stay and fight.

Penthouse: Were you armed?

Terpil: Everybody's armed in Beirut. That's like wearing clothes.

Penthouse: What were you armed with?

Terpil: Grenades, AKs, the standard issue.

Penthouse: What happened?

Terpil: I had a very beautiful flat. Unfortunately, it looked into both East and West Beirut—it had huge balconies. So we were caught in a cross fire. If you wanted to get coffee in the kitchen, you had to make sure the kitchen was not under siege. We kept little Coleman stoves in the hallway, in the living room. You actually had to establish a little kitchen in every room, because you didn't know which room might be under fire.

Penthouse: It came time to leave. What happened?

Terpil: The Israelis broke through on Museum Road. And when they broke through, I knew we weren't going to stop them. They were approximately fifty meters down the road. Then, on the other side, they occupied everything to the east. They had us encircled.

Penthouse: How did you leave?

Terpil: PLO. I had the fighter's uniform: kaffiyeh, AK—and sunglasses, of course.

Penthouse: You had your Rolex?

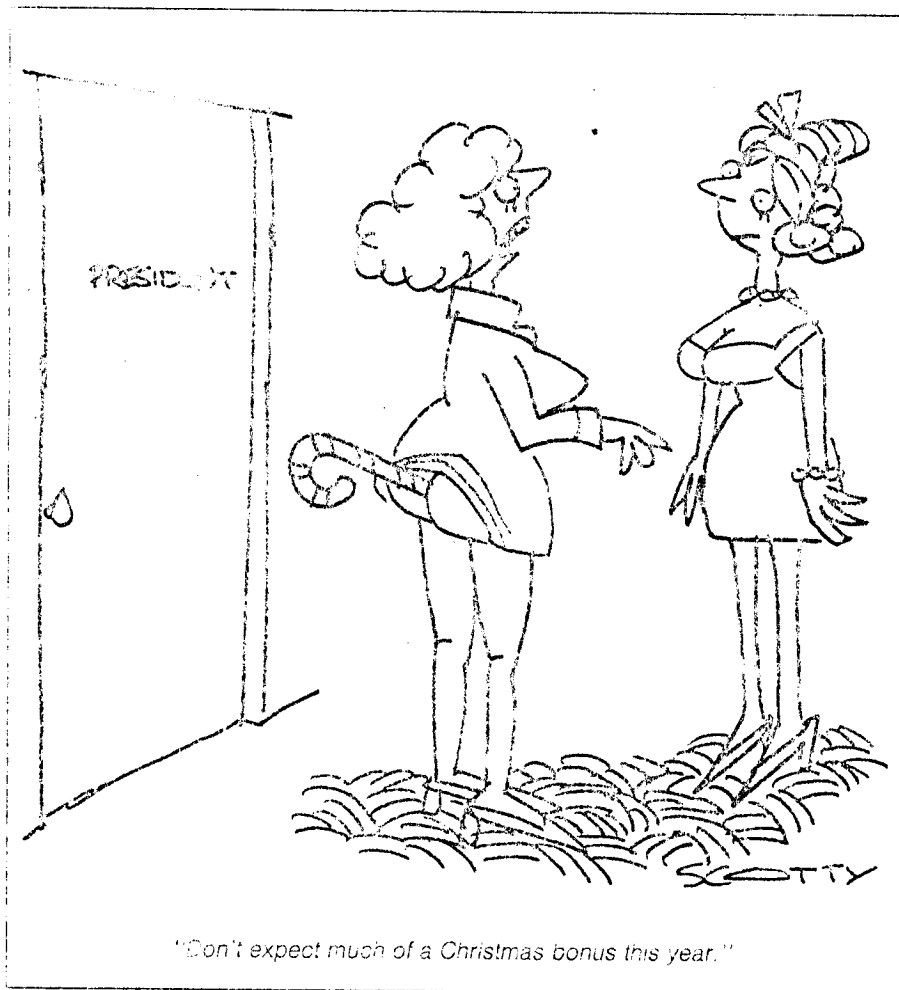
Terpil: I had my uniform buttoned down over the Rolex. Not too many PLOs wearing Rolexes that day. We infiltrated the lines to reach the port area. There must have been 1,000 to 1,200 people in uniform in the port, all trying to get out of the place. I left on a PLO ship.

Penthouse: Where did you go?

Terpil: I went to the camps in Tunis. From Tunis many of the PLO people infiltrated back to Beirut, via Syria and Jordan.

Penthouse: They went right back?

Terpil: When I was at the port, I witnessed these people kissing their wives and children good-bye, and the children and wives returned to Sabrah and Shatilla. A week later, these same people were dead, massacred. Now you have these men hearing newspaper reports, assuming the worst. In most cases it was a justifiable assumption. So you had these people saying "I'm not going to stay in Tunis. For what?" They defied Arafat. They went back, as many as two and three hundred



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at a time, back into the Bekaa Valley, and when they were not provided with weapons, they said, "Fine. We'll fight on the Syrian side."

Penthouse: So that's what started the PLO split?

Terpil: That's what started it. These people didn't have families anymore. They demanded retaliation. At the same time, you had Arafat saying, "We're going to try to settle this diplomatically. We scored a victory in Beirut."

"What victory?" these people wanted to know. "We walked out with our tails between our legs. That's a victory? And our families were slaughtered right after that?"

So now you have these people with no families. What have they fought for? They've fought for nothing. They have no house, they have no personal belongings, they have no families, they have nothing. These people are like living shells. They're not going to listen to Arafat. They listened to Arafat once. Why listen to him? Why not listen to George Habash? Why not listen to Abu Nidai? Retaliate. Retaliate. An eye for an eye, a tooth for a tooth. They're death squads. They volunteer, as suicide squads. They have nothing else to live for. So... they went down into Bekaa.

The massacre toll was higher than the press said. They bulldozed people under houses. There were mass graves. No one will ever know the death toll. But I would say it probably runs between two and three thousand.

Penthouse: Is it your view, then, that the PLO has only one road to follow: terrorism?

Terpil: Yes. And not only in the Middle East. The United States is not immune. It hasn't happened yet. But there are a great many Palestinians in New York, Miami, California—Palestinian students who consider themselves warriors at this point. And there could be occurrences.

Penthouse: Such as?

Terpil: Such as the Olympics.

Penthouse: Let's talk a bit about your life since then. Do you still carry a weapon?

Terpil: Yes. A Makarov.

Penthouse: Why?

Terpil: I wish it were unnecessary. I'm not a cowboy. But I'm not going back to negotiate a fifty-three-year sentence.

Penthouse: You'd get out at ninety-six.

Terpil: They probably wouldn't have license plates by then.

Penthouse: Before you became an undercover tourist, you were associated with a number of very dictatorial regimes. The one in Uganda, for example. Have your politics changed?

Terpil: Sure.

Penthouse: What's changed you?

Terpil: Being forced to live within the community of these people. Hearing what they feel imperialism is, capitalism is. And, of

course, one of the primary factors was finding an artillery shell in my bed that had "California Ordnance Depot" on it. I really felt a little bit miffed about that—my tax dollar was trying to destroy me!

Penthouse: But it's not your tax dollar. You have an outstanding tax bill of about 4 million dollars.

Terpil: Four and a half, or something.

Penthouse: You ought to be booted.

Terpil: Ha, ha, ha, na.

Penthouse: You've traveled in Central America recently. How do you feel about what's going on there?

Terpil: I never have been against covert action, but in Nicaragua you had Somoza—an absolute dictator. People accuse me of being friendly with Idi Amin, but Somoza was worse than Idi Amin. However, he graduated West Point; he's a friend of the United States. Finally, a radical group said, "Hey, it's about time the people had a cut of the pie." They're not Communists, they're just looking for a

Beirut was a testing ground for live experiments with the latest developments of U.S. weapons. To prove the vacuum bomb was feasible, 283 people were killed.

piece of the action for the people. Ironically, they take over the country through covert action.

So Somoza is gone. He runs off with his millions or billions, and he goes to Miami. Now, suddenly, he becomes an embarrassment to the United States. My God, we can't have Somoza in the country. Everything Carter said about human rights, Somoza did the opposite. So, we've got to get rid of Somoza. Send him to South America someplace, get rid of the guy. Somoza gets killed. Very, very mysterious circumstances—how he was killed. People knew he had an armored car, so they use the appropriate weapon, a 3.5 rocket launcher, which is manufactured only in the United States. The people had American equipment—I'm talking about radio equipment. They were dressed, ironically, in red wigs, similar to Howard Hunt. Maybe they came from the same source. [Howard Hunt wore a CIA-supplied wig for a clandestine interview with Dita Beard, an ITT lobbyist.]

But to get back to what the United States is doing. The Sandinistas have actually made overtures toward the United States. They are not so pro-Soviet, or so

pro-Cuban, as everybody would say, but the Russians and Cubans are the people who have offered them aid. What is the United States going to do? It will continue its covert action against them.

Penthouse: You've dealt with, among others, Amin and Qaddafi, neither of whom is or was controllable by the United States.

Terpil: That's why they're despised.

Penthouse: At the same time, you make the point that Somoza was, in many ways, as bad as or worse than Amin. The same can be said of other dictators the United States supports. If you had dealt only with controllable dictators, would you be in the "public-relations crisis" that you are in?

Terpil: I could have sold the identical equipment that I have been alleged to have sold, to General Pinochet of Chile, or to Somoza, and I would not be in any problem whatsoever.

Penthouse: What kind of equipment?

Terpil: We're talking about silent weapons; we're talking specifically about assassinations or covert activities. The weapons that I sold—my sources for them were the exact same sources the CIA uses. Do you see the CIA under indictment? The same laboratory that developed remote-detonation equipment for the CIA, I used. The only difference was I sold mine to Qaddafi. The CIA was giving theirs away to other countries that were, let's say, more friendly. But the use was the same. The use was for remote detonation, for clandestine explosives, for assassinations. Now how do you differentiate which is bad and which is good?

Beirut was a testing ground for live experiments with the latest developments of U.S. weapons. The vacuum bomb, for instance. A vacuum bomb is dropped from an aircraft and explodes above the target. The air rush implodes the building, causing no damage to the surrounding area but killing everything within that building. They used this flimsy excuse in Beirut: they "thought" Yassir Arafat was in the building. That's total bullshit. Israeli intelligence has been known to be more exact than that. They killed 283 people, mainly to prove that the vacuum bomb was a feasible weapon.

Penthouse: You were charged with having trained people, Libyans and others, in assassination techniques. You've gone to U.S. military personnel or CIA personnel. Why is it they have this kind of expertise?

Terpil: Because they were trained by the U.S. government in this expertise.

Penthouse: Why?

Terpil: It's being used. As a matter of fact, while under indictment in New York I had in my possession two U.S.-government arms licenses. I was picking up from Newark Airport a special pistol made by a Swiss industrial group, an assassination weapon for the U.S. Special Forces. We were asked by the U.S. Special Forces Group, Delta Division, of Fort Bragg, North Carolina, to come up with a suitable foreign-manufactured pistol with silencer and poison bullets. That was a United

States-government project.

Penthouse: For their use?

Terpil: Of course for their use. The toxin was to be from nicotine, an extremely fast-acting poison. Nicotine sulphate. If you just got scratched on the arm or anywhere you'd be dead in a matter of seconds.

Penthouse: What would you have sold that gun for?

Terpil: Roughly \$245. The silencer would have been, possibly, an additional \$110. This was in quantity.

Penthouse: We understand you know something about a number of DEA agents who were sent down to Florida, and then to Central America.

Terpil: They're not DEA agents; they're CIA agents.

Penthouse: Explain.

Terpil: Okay. A number of CIA agents were let go in the early 1970s, in mid-career. They had, possibly, fourteen or fifteen years' service and all of a sudden they find pink slips on their desks. Where do these people go? They show up in DEA. Their operational methods haven't changed, except they now have greater flexibility. They're not encumbered by ridiculous rules and regulations. If they want to blow a guy's head off, that's the fastest way to get rid of him.

Now several hundred people assigned by President Reagan are supposedly assigned to Miami. Where are these people? They went right through Miami into Central America. Central America now had the biggest DEA force in the world. What is the DEA doing? CIA activities. How do you differentiate between CIA and DEA?

Penthouse: Okay, while we're talking about Miami, let's talk a bit about the controversies that have surrounded the Miami CIA station.

Terpil: The significance of Miami is the drug syndicate. Miami's the base. The people that I hired from the agency to terminate other people are there. [Terpil, giving names, then alleged that two former, highly placed CIA officers were responsible for the following scheme.] They got involved in this big drug scandal, which was whitewashed. Where do the drugs come from? Laos. Where did the money come from? Nugan Hand Bank [Amid allegations of corruption and international drug traffic, the Nugan Hand Bank, a Far East bank with branches worldwide whose officers included many ranking members of the U.S. intelligence establishment, went bankrupt in 1981.] The idea was: in the Golden Triangle [of Laos] you had to buy warlords. How do you do that? You gave them more money [than the going market rate] for their product. Now what do you do? You sell the opium through Singapore, Hong Kong, and Delhi. You reinvest the profits in your own operations. The money is brought to Kabul and deposited in the First National City Bank of Afghanistan. The other bank was Nugan Hand—that's where the transfers went. Now you've got an accelerated fund. Now you've got all this goddamn money, and



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what do you do with it? You go to Alice Springs, Australia, the site of a huge military-intelligence installation. Billions of dollars—not millions—billions of dollars. More money than you knew what the hell to do with.

Penthouse: So you're saying that the agency would provide gold, which would then be flown into the Golden Triangle.

Terpil: To pay for the drugs.

Penthouse: And these would then be sold in any of three cities, and the money put into different banks?

Terpil: Then farmed back into the agency accounts.

Penthouse: Into the operations in Alice Springs?

Terpil: Right. A lot of money.

Penthouse: Okay, let's move on to Libya. You stated at one time that the first Libyan attempt to invade Chad took place on the basis of information that came, indirectly, through the agency. Can you elaborate?

Terpil: Wilson and I were in Libya. No big secret. Qaddafi entertained thoughts about invading Chad. However, Qaddafi had no knowledge of two key factors. One, would France come to the aid of Chad? Two, what were the capabilities of Chad's army and air force?

Wilson was hired to provide what is called an Order of Battle [OB] plan. It's a complete capability [breakdown] of troop strength, morale, physical capabilities—weak spots and strong spots. Wilson knew, and I knew, that it was impossible to obtain this except through the Defense Intelligence Agency or the CIA. Wilson went to a high-level CIA officer to see if he could assemble an OB, knowing full well where the CIA officer would go to obtain the information. The officer was paid \$50,000 for the OB. Now, this man, who is not an expert in these affairs at all, had to rely on the help of people who work with this on a daily basis, one of whom was Waldo Dubberstein. Dubberstein, unfortunately, had a hunting accident in the laundry room of his girlfriend's apartment.

[In April 1983, Waldo Dubberstein was found dead in the basement area of an Arlington apartment; he shared with his girlfriend. Police said he had been shot once in the head with a 12-gauge shotgun, which was found near his body. Dubberstein, a former CIA officer and analyst for the Defense Intelligence Agency from 1975 to 1982, had been indicted two days earlier by a federal grand jury. He was charged with seven counts of conspiracy, unauthorized disclosure of classified information, and bribery. The grand jury alleged that Dubberstein turned over—both to Ed Wilson and directly to Libyan intelligence—sensitive summaries and analyses of Middle East affairs beneficial to Libya. The indictment alleged that he received more than \$32,000 from Wilson in return.]

Penthouse: So Wilson went to this high-level CIA officer, and he went to Dubberstein?

Terpil: Yes.

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Penthouse: Did Dubberstein get it?

Terpil: Yes. Dubberstein actually made a trip into Libya with this information.

Penthouse: And for this the high-level CIA officer was paid \$50,000?

Terpil: Yes.

Penthouse: What would Wilson have charged for such services?

Terpil: Three hundred thousand to \$400,000.

Penthouse: Let's talk a bit about Ed Wilson. Did he know the Korean Tong Sun Park?

Terpil: Yes. When Park disappeared into London, Wilson had all the unlisted phone numbers and was in direct communication with him on many, many occasions.

Penthouse: Park, of course, was a KCIA agent?

Terpil: Of course.

Penthouse: And Wilson was a CIA agent.

Terpil: Yes.

Penthouse: It was alleged, among other things, that Park was involved in possible

The weapons I sold . . .
for assassinations or covert
activity . . . my sources
were the exact same sources
the CIA uses. Do you
see the CIA under indictment?

bribery of certain congressmen. Was the agency aware of this?

Terpil: I don't see how they could not be aware of it. Wilson was one of the original members of the Georgetown Club. He was also a charter member of the University Club. None of this was arranged for him through his own introductions.

Penthouse: Then through whom?

Terpil: The Company—the agency. The agency gave Wilson this profile of having all this money and everything else.

Penthouse: It's been alleged by Jack Anderson that the Justice Department was investigating statements that payments were made secretly to Senator Strom Thurmond by a middleman acting for Ed Wilson. Could you tell us about that?

Terpil: The courier who testified about dropping the money was Kevin Mulcahy. He worked for both Wilson and me. He stated that the drop was made to another courier, a prominent Washington socialite, in front of the passport office on 14th and K. Mulcahy would give him an attaché case. And the payments were in increments of \$4,000.

Penthouse: Not a pretty picture.

Terpil: Right. American politics is so fuck-

ing corrupt it's unbelievable. When they shake their finger at somebody else, they really should look in their own backyard.

Penthouse: You said you wanted to talk about a Turkish organization known as the Gray Wolves. Let's talk about it.

Terpil: The Gray Wolves are an ultra-right Turkish political group that felt Turkey might go to the left. They took it upon themselves to make sure Turkey stayed to the right—by means of extreme measures. It's a paramilitary group.

Penthouse: Who financed it?

Terpil: The chief financier was a Muslim who held Nazi political ideas. He married an extremely wealthy woman in Turkey. He is today probably one of Turkey's wealthiest people. He was elected to the Turkish parliament and became a deputy of the Turkish Justice party. Then he took it upon himself to become the protector of the Right in Turkey. He came to the United States on several occasions. He went to the CIA for funding. He went to the shah of Iran, too. Apparently he met with limited success, and he basically financed his own operation.

Penthouse: Who trained his private group?

Terpil: He got what he felt was the best. He had North Koreans training the group in karate. For clandestine eavesdropping, he had some West Germans. For possible assassinations, and in what we call "bang and boom," an active-duty CIA officer was hired on a personal basis, while on his annual leave, to train the Gray Wolves. He was a contact of Ed Wilson's. And he actually spent two weeks in Istanbul.

Penthouse: Is it true that one of the people who underwent training with the Gray Wolves was Mehmet Ali Agca, who is accused of attempting to assassinate the pope?

Terpil: Yes.

Penthouse: Don't you think it's ironic that while it has been alleged that the assassin was working in behalf of the Eastern bloc, his training came, indirectly, through the agency.

Terpil: Yes, but you cannot blame the agency for specifically training him to go after the pope.

Penthouse: You're on the run; you're carrying a gun, you rely on phony names, false passports. You travel out of a suitcase and live in hotels, admittedly extremely nice hotels. But you can't really hold on to anything. Does that bother you?

Terpil: It would bother me a lot more if I were restricted to a five-by-seven cell.

Penthouse: Ed Wilson, it is rumored, passed along a message that you had placed a contract on Assistant U.S. Prosecutor Larry Barcella. Is that true?

Terpil: Total bullshit. Barcella has his job. I have no personal animosity. If Barcella gets his jollies by throwing someone in the slammer for fifty years, that's good for Barcella. I personally don't want to be a victim of any of his successes. Really, if I met the guy on the street I'd probably buy him a drink. 